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SUMMARY RECORD OF THE 37th MEETING

Chairman: Mr. SENGWE (Zimbabwe)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 10.20 a.m.

AGENDA ITEM 121: UNITED NATIONS COMMON SYSTEM (continued) (A/50/30 and Add.1 and A/51/30; E/1993/119 and Add.1; A/C.5/51/23, A/C.5/51/24 and A/C.5/51/25 and Corr.1)

AGENDA ITEM 122: UNITED NATIONS PENSION SYSTEM (continued) (A/51/9 and Corr.1 and A/51/644; A/C.5/51/4)

1. Mr. JONAH (Sierra Leone) said that in the current highly politicized environment the value of an impartial body such as the International Civil Service Commission (ICSC) could not be overestimated. It was essential to depoliticize the pay-setting process by using a balanced review mechanism, for without appropriate conditions of service it would be impossible to attract staff of the highest standards of efficiency, competence and integrity, and the United Nations would be unable to achieve its purposes. The probability of the Organization's success would be improved if it could compete in the tough marketplace for well-qualified personnel. The Commission's recommendations took a helpful step in that direction despite its keen awareness of the restrictive financial situation.

2. The recommendations were balanced, including both improvements and reductions in the conditions of service. Salary reductions had already been made at a number of duty stations by means of the new methodology adopted by the Commission in 1992. The Committee now had before it a recommendation for the further reduction of General Service pensionable remuneration in 1997. Since the recommendation was based on a fair application of the Flemming principle, it should be supported. However, the constant re-examination of the basic principles and their application appeared to have created an unstable environment over the past five years. The General Service staff, in particular, had been under constant siege. There was now a need for a period of stability in which the General Service category could look forward to a predictable and transparent system for determination of its remuneration.

3. The recommendations contained in the ICSC report for the year 1996 (A/51/30) for maintenance of the conditions of service relating to dependency allowances for Professional staff and the education grant for internationally recruited staff were based on accepted methodology and would cost only about $0.6 million. They deserved the Committee's support. The action taken by the Commission with respect to the post adjustment system for Professionals and the mobility and hardship scheme would noticeably downgrade the terms of service for the staff concerned. The technical changes described in paragraph 188 of the report would produce net savings of $11 million a year, and in paragraph 296 the Commission indicated anticipated savings of about $1.7 million as a result of changes affecting the non-removal element of the mobility and hardship allowance. The Committee should not attempt to second-guess the technical body which had taken those actions, on the understanding that all like recommendations would be treated in like manner.

4. In 1985 the General Assembly had accepted the institution of a system to regulate Professional salaries around a desirable mid-point, with a specific mechanism for application of the Noblemaire principle, which had resulted in a

pay freeze for all Professional staff. The desirable mid-point had been achieved at some cost to the competitivity of the United Nations as an employer. Now that the application of the mechanism would lead to a salary increase, the Commission had made a recommendation, for the second year running and in the face of clear political pressures, to amend the base pay for the Professional category in order to restore "the desirable mid-point of 115 for the United Nations/United States net remuneration margin". The recommendation, made at the specific request of the General Assembly, would cost $15 million, the margin criteria had been met, and the Commission had demonstrated that some competitors paid significantly more than the United Nations. The United Nations should therefore live up to the principles of justice embodied in its Charter and recognize the realities presented by the Commission.

5. To do nothing on that issue while leaving in place the negative adjustments applied by the Commission to General Service conditions and to the post adjustment system would unbalance the package and offend accepted concepts of fair play. His delegation would therefore support the recommendations contained in paragraph 115 of the report and all the Commission's other recommendations, for to do otherwise would defeat the purpose for which the Commission had been established. The recommendations were moreover critical to the maintenance of a competent and impartial international civil service.

6. Mr. BOND (United States of America) said that the United States was a strong supporter of an effective United Nations and recognized the need, now even more than before, for a skilled international civil service. According to the Noblemaire principle, salaries should be sufficient to attract candidates from all Member States and were therefore established at a level 10 to 20 per cent higher than that of the comparator - the United States federal civil service. ICSC had once again used a misrepresentative methodology in determining the margin between the international civil service and the comparator. The methodology had apparently been introduced simply to justify a pay increase and the Commission had interpreted resolution 47/216 as a request to increase salaries, which was certainly not the intention. Salaries were a key factor but not the only factor which made an employer competitive.

7. The United States Government rejected the methodology on two counts: the weighting of the various pay systems, and the applicability of bonuses. The Commission had previously weighted the data to reflect the number of people in each pay system, but now it wanted to weight all systems equally, distorting net remuneration levels so that the margin would appear smaller. Furthermore, discretionary and non-pensionable bonuses and performance awards had been included in the United States net remuneration levels. When applied to the United Nations common system the value of such payments became pensionable. Moreover, it did not make good management sense to introduce bonus elements into United Nations salaries when the organizations had begun to implement their own systems for recognizing superior performance. There had been no compelling reason for the Commission to revise its methodology. The old methodology would yield a margin of 114 and no salary increase would be needed. In that connection his delegation would like to know how the post adjustment reclassification for New York on 1 November affected the calculation of the margin.

8. The United States delegation also took issue with the statement of the Administrative Committee on Coordination (ACC) contained in the note by the Secretary-General (A/C.5/51/25) that there was a need to "restore" competitive conditions of service. There appeared to be no significant recruitment or retention problems in the international civil service.

9. In his statement on the administrative and financial implications of the ICSC recommendations and decisions (A/C.5/51/24) the Secretary-General noted that they would increase the current budget by almost $16 million. Since the United States considered the budget ceiling of $2.608 billion to be inviolable, any increase must be met by an equal offset. Some 70 per cent of the costs of the United Nations were personnel-related, and any further increase would reduce the amount available for programmes. Programme cut-backs would hurt the people which the programmes were designed to help, and many Member States could not afford increased assessments. The United States could not accept spending money where it was not warranted, especially on the basis of an inappropriate methodology. It rejected the recommended salary increase as unjustified.

10. According to its report, the Commission had made no progress on the issue of a single post adjustment for Geneva. It should move without delay to implement such a system, and its decision to increase the out-of-area portion of net remuneration for post adjustment purposes deserved support. The ICSC recommendation on the adoption of a common staff assessment scale for determining pensionable remuneration constituted a step in the right direction and also deserved support.

11. In his statement in the Committee the Director-General of the United Nations Educational, Scientific and Cultural Organization (UNESCO) had raised some points concerning flexibility in the common system, particularly on the need for the managers of the specialized agencies to exercise fiscal responsibility. The United States delegation agreed with him that the common system and ICSC must be made more responsive to the special needs of the individual organizations and it was confident that some flexibility could be achieved.

12. Turning to the report of the United Nations Joint Staff Pension Board (A/51/9 and Corr.1), he said that his delegation had focused on the appropriateness and the impact of the Board's recommendations and decisions, for it was important to maintain a balance between the health of the Pension Fund and meeting the needs of its participants. Those responsible for managing the Fund's investments should be commended on their work. In a volatile financial market it was important that the investment portfolio should remain widely diversified in order to reduce risks and improve long-term returns. The United States concurred with the Board and the Advisory Committee on Administrative and Budgetary Questions (ACABQ) that the results of the actuarial valuation of the Fund were satisfactory.

13. Encouraging progress had been made by the Government of the Russian Federation and the Pension Board towards resolving the problem of former participants in the Fund who were Russian citizens. However, the proposed agreement must be self-contained and make it clear that the rights granted did not flow from the regulations of the Pension Fund or from any obligation on its part. Since a comprehensive solution covering all affected former participants

from the former USSR had not proved feasible, further efforts would have to be made to settle their claims. The Governments concerned should continue the dialogue and resolve the issue bilaterally.

14. The United States delegation was in favour of a more contemporary approach to the issue of entitlement to survivor's benefits and urged the Board to resolve it equitably but without actuarial consequences.

15. Mr. DEINEKO (Russian Federation) said that the unity and integrity of the United Nations common system must be preserved, and ICSC should remain its principal technical body for regulating conditions of service. The Commission had frequently proved its expertise and had the capacity to discharge the responsibilities assigned to it. However, the situation in UNESCO with respect to the implementation of the recommendations of the Chairman of the Commission on the level of post adjustment in Paris gave rise to deep concern. A speedy resolution of the dispute would be in the interests of all parties, and especially of the common system itself. It must be resolved equitably on the basis of the relevant decisions of the General Assembly, the ICSC statute and the powers of its Chairman set out therein.

16. In the past year the Commission had made progress with respect, in particular, to pensionable remuneration and post adjustment matters. The Russian delegation had some doubts about some of the recommendations, especially those concerning the mobility and hardship matrix, but on balance they would serve as a good basis for the work of the Fifth Committee. However, the Commission had failed to fulfil expectations with respect to the remuneration of staff in the Professional and higher categories, on which its conclusions contained logical and technical inconsistencies.

17. With regard to the Noblemaire principle, for example, in resolution 50/208 the General Assembly had requested the Commission and the national civil service authorities concerned to resolve the outstanding difficulties in the comparison of different civil services. The outcome of the discussions between ICSC and the representatives of potential comparator civil services was self-evident: since the comparison overestimated the total compensation levels in the German federal civil service, that service could not be used as the new comparator for the common system. Perhaps the Commission's agenda should include work on upgrading the comparison methodology in order to bring the common system and its potential comparators to a common denominator. The Commission had not recommended a change of comparator but had mentioned a specific figure by which total compensation levels in the German civil service were more advantageous. That figure was totally arbitrary because it was based on a comparison of the incomparable. However, it was to the Commission's credit that the figure and the question of using the German civil service as a comparator were mentioned only in the descriptive part of the ICSC report not in the decisions. The Russian delegation reiterated its view that in matters of margin management any references to a civil service other than the current comparator were unacceptable, for they would lead to the establishment of a "basket of comparators" and possibly to a revision of the Noblemaire principle itself, which the General Assembly had not mandated ICSC to do. With some reservations it could go along with the principal conclusion on the comparator, but the conclusions on the "methodological innovations" which the General Assembly had returned to the Commission for further review simply escaped logic.

18. The phrase "taking into account the views expressed by Member States in the Fifth Committee", referred to in addendum 1 to the ICSC report for the year 1995 (A/50/30), could not be simpler to understand. However, a reading of paragraph 10 in conjunction with paragraph 11 showed that what the Commission had taken into account were the views not expressed by Member States. The Commission was therefore openly refusing to implement the instructions of the General Assembly.

19. The Russian delegation had always been ready to consider proposals for salary increases which were technically correct or prompted by problems of the competitiveness of the United Nations system as an employer. However, the General Assembly must not rubber-stamp technically flawed proposals based on methodological manipulations and having multi-million-dollar implications. As in 1995, his delegation still believed that the Commission's methodological innovations were unjustified and should not be used in margin calculations.

20. Regarding agenda item 122, his delegation wished to state that the key element in evaluating the viability of the Pension Fund was its actuarial valuation, i.e., the determination of the capability of the Fund to meet its liabilities with respect to present and future retirees. The valuation made according to the present Fund's methodology had shown that the deficit amounted to 1.46 per cent, which was a little lower than the deficit under the previous valuation. The evolution of the deficit of the Fund's actuarial balance over the last 16 years also confirmed that a certain stability had been achieved. However, an exceptionally cautious approach needed to be taken in that regard. Despite the Fund's relatively stable situation, close attention should also be paid to trends in the development of the actuarial situation. His Government therefore supported the decision taken by the Board of the Fund to retain the current 6.5 per cent interest rate applicable to years of contributory service with respect to lump-sum commutations, primarily in order to prevent a further increase in the deficit of the actuarial balance.

21. His delegation commended the investment performance of the Fund. However, the principles of safety, profitability, liquidity and convertibility needed to be applied to ensure further success. It was necessary to continue the policy of broad diversification of investments in various countries and currencies, provided that investment risks were reduced to a minimum. In that connection, serious consideration should be given by the Fund to securities markets in the economies in transition where trends of stability and growth had been noted.

22. The comprehensive review of pensionable remuneration was of paramount importance for the operation of the United Nations pension system. The main objective of the review had been to calculate the common staff assessment scale in order to reduce the income inversion anomaly. His delegation shared the Pension Board's views on the need to limit the potential additional costs to Member States which could result from the proposals under discussion.

23. His delegation supported the recommendations of the Board on the income replacement approach and the use of grossing-up factors for pensionable salaries of staff in the Professional category and the General Service and related categories.

24. The methodology for recording employee tax data in the seven headquarters duty stations was technically more exact and statistically more reliable than the methodology used to record retirees' data.

25. The methodology of pension adjustment was a particularly crucial element. However, in agreeing that a special measure should be adopted within the framework of the two-track pension adjustment system in the countries which had recently introduced new currency units, his delegation was concerned that the measure might set an undesirable precedent. That concern centred around the provision for the possibility of withdrawing from a dollar to a local currency position over a two-year period. In examining the relevant draft resolution, the Fifth Committee should explore ways in which the possible negative effect of that provision could be kept to a minimum.

26. The agreement which existed between the Russian Federation and the United Nations Joint Staff Pension Board was intended as a response to General Assembly resolution 49/224, and his Government therefore regretted the fact that certain delegations were attempting to overdramatize the issue in the Fifth Committee. He appealed to all delegations to display a professional attitude and avoid personal attacks on Pension Fund officials when those officials were acting in accordance with mandates determined by the General Assembly and decisions adopted by the Board of the Pension Fund.

27. His delegation also wished to note that the arrangement for partial restoration of the pension rights of certain former Pension Fund participants, which was currently being considered by the General Assembly, could not be viewed as a reverse transfer agreement under the Fund's regulations. The arrangement was a good-will gesture on the part of his Government and was wholly financed from the national budget of the Russian Federation. His delegation believed that the question of the monies which had been transferred by the Pension Fund to the former USSR social protection fund should be taken up by the Member States concerned.

28. Regarding the possible withdrawal of the Interim Commission for the International Trade Organization/General Agreement on Tariffs and Trade from membership in the Fund, his delegation wished to state its support for strengthening the common system and endorsing the Advisory Committee's recommendation to the World Trade Organization to take into account the potentially serious implications of its leaving the Fund.

29. Mr. ARMITAGE (Australia) said that his country acknowledged the obligation of Member States, under Article 101 of the Charter, to ensure the conditions of service necessary to meet the objective of a highly competent, professional and independent international civil service. However, the United Nations common system, though an indispensable framework for the administration of those conditions of service, was far from perfect, and its technical details had taken on an importance that overshadowed and obscured its basic principles and conceptual framework. He wondered whether methodologies were always applied in a purely objective and technically consistent way, or whether their complexities were sometimes used to disguise attempts to achieve predetermined outcomes. The common system must be transparent and easily understood. Since the General Assembly's failure to agree on common-system issues the previous year had been

detrimental to the system's future viability, a consensus must be reached during the current session.

30. He shared the concerns of other delegations about some aspects of the current margin methodology. The equal-weighting approach was conceptually flawed, and it was unclear why special pay arrangements that applied to a very small proportion of the comparator's staff were given the same weight as the pay scales that applied to most of its staff. Moreover, the inclusion of bonuses and performance awards in margin calculations distorted the comparator's practice, since they were not received by all staff. Those elements of the methodology departed from the Noblemaire principle because they represented an attempt to adopt the best elements of the comparator's system even though equivalent practices did not exist in the United Nations.

31. The issue of remuneration could not be separated from that of enhanced productivity. The base/floor salary must be linked to the administrative efficiency gains achieved in each agency. Enhanced productivity could then be used to reward individual excellence within the improved structure. He agreed with the representative of Ireland, who had spoken on behalf of the European Union, that salary increases in the common system must be linked to intensified efforts to improve accountability in the Secretariat.

32. He questioned whether the Organization could afford to implement a pay increase at the current time. Although its financial crisis was due largely to the failure of major contributors to honour their Charter obligations, the resources available to the specialized agencies were declining and budgetary discipline was a necessary way of life. He was not convinced that there was adequate evidence of recruitment and retention problems for most United Nations staff. He supported the idea of greater differentiation of pay scales for specialists, and pointed out that the General Assembly had already endorsed the principle of separate categories for specialists.

33. Notwithstanding those reservations, his delegation was willing to show flexibility on the issue of a salary increase. However, a cap should be set on the total amount of money earmarked to fund such an increase, and should be explicitly reflected in the relevant resolution. To prevent any impact on programmes, the General Assembly should avoid implementing an increase in the total amount of salaries during the biennium. Lastly, he agreed with the Canadian delegation that conditions of service were only part of an effective human resources management strategy. The need to attract, motivate and retain staff must also be addressed in the context of human resources management.

34. Ms. SIMON (Guyana) said that her delegation wished to pay tribute to retired United Nations staff members who had served the Organization faithfully in the past and who deserved to have their benefits fully protected.

35. The Organization's investment staff should be congratulated for securing positive returns for the Fund over the previous 14 years. She hoped that favourable consideration would be given to the recommendation by the Board for the approval of additional posts in the Investments Committee and the conversion of temporary posts to established posts, since such a move would enable the Committee to function more efficiently and cope with future challenges.

36. The General Assembly had taken note of the absence of effective measures for dealing with the financial obligations of a pensioner to his or her spouse or former spouse. The issue had been discussed on several occasions by the Pension Board, most recently at its previous session. The strict requirement of confidentiality under the administrative rules had been recognized as a factor in hampering attempts by national courts to administer the law with regard to the alimony or divorce settlement obligations of former spouses. The Committee of Actuaries believed that it was reasonable to expect the Fund to provide pension information when requested to do so by an appropriate national court, provided that the retiree concerned was notified of the request. The Pension Board had agreed in principle at its previous session to modify its confidentiality requirements and explore the possibility of establishing an arrangement for support payments in cases where a retiree was legally required to provide support to a former or legally separated spouse. Her delegation hoped that all the issues mentioned would be kept under review. It would also be useful for a resolution to be adopted incorporating all the decisions taken by the Board at its previous session, and the proposal to revise certain articles of the regulations also merited consideration.

37. Mr. BOGAYEVSKIY (Ukraine) said that he wished to object to unacceptable remarks which had been addressed to his delegation by another delegation. The tone of the remarks impugned the independence of his country because they harked back to the relationship that had once existed between the constituent republics of the USSR.

38. The CHAIRMAN said that if the representative of Ukraine wished to exercise his right of reply, procedural considerations dictated that he should wait until the conclusion of the debate.

39. Mr. DROZDOV (Ukraine) said that his delegation attached considerable importance to the common system and shared the view that the staff of the United Nations was a very important asset of the Organization. Proper conditions of service were the major prerequisite for staff to perform their duties efficiently.

40. His delegation reiterated its support for the basic principle determining the remuneration and conditions of service of Professional staff. However, his delegation was not in a position to endorse any changes or innovations which were allegedly designed to apply that principle properly, especially when they were based on technical assumptions of somewhat doubtful nature.

41. His delegation believed that the equally-weighted approach unacceptably distorted the picture. Bonuses and performance pay awards should not be included in margin calculations since they were not included in the base pay of the comparator. The post adjustment system should operate exclusively to compensate for price differentials between duty stations.

42. The latest recommendations of ICSC regarding a proposed increase in the base/floor salary for Professional Staff seemed to be shot through with dubious assumptions. The Commission had displayed a lack of realism in so far as the financial impact of its recommendations was concerned. The suggested absorption of the relevant additional costs in 1997 would only aggravate the acute cash-flow crisis facing the Organization and its agencies. Moreover, the

implementation of the Commission's proposal should be an integral part of a whole reform process which included enhancing staff efficiency and establishing an effective system of accountability and responsibility.

43. There were many highly qualified experts in Ukraine and other Member States who would be willing to join the Secretariat in the conviction that the common system was sufficiently competitive and attractive.

44. His delegation had taken due note of the decision by the Director-General of UNESCO to suspend the application of the revised post adjustment classification for Paris. It was time for the General Assembly to send a clear signal to UNESCO with regard to the role and mandate of ICSC.

45. His Government regretted that the consultative process between the Commission and the staff associations was not functioning properly. Progress depended on the good will and flexibility of all the parties concerned. The proper functioning of the consultative process would contribute to enhancing the attractiveness and competitiveness of the common system.

46. Ms. ZONICLE (Bahamas) said that, regarding the recommendations on the base/floor scale for Professional and higher categories of staff pursuant to the change in margin between the net remuneration of the United States civil service and the United Nations system, ICSC was zealously defending its mandate to regulate and coordinate the conditions of service of the United Nations common system. By heeding the Commission's recommendations, the General Assembly would give a clear signal of encouragement and support to efforts to retain staff of the highest calibre and thereby enhance their motivation and performance. Meanwhile, the staff had made the point that their purchasing power had declined by one fifth over the past 10 years.

47. With reference to the Commission's promulgation of an increased post adjustment classification for Paris applicable to UNESCO staff members, it had been pointed out that as an independent and sovereign intergovernmental organization, UNESCO should not be constrained by the application of decisions relating to the conditions of service of staff elsewhere.

48. If the Fifth Committee was to assist the General Assembly in giving constructive directives to ICSC, it had to be objective and clear in responding to conflicts. Member States still had to face the fact that the bonuses and performance awards in the comparator's system that had been identified for inclusion in margin comparisons were indeed significant in terms of the amounts involved and the scope of their application. In addition, the gap between the comparator's own civil service pay scale and its reference point in the private sector was still wide. The Commission should also be reminded that its mandate was not limited to technical or quantitative exercises; its Statute called, inter alia, for evaluation of staff.

49. Member organizations of the common system should be reminded that, under articles 58 and 63 of the Charter, the United Nations had a responsibility to make recommendations for the coordination of the policies and activities of the specialized agencies. Finally, the Member States themselves should remember that the common system was merely a means to an end. No matter how efficient the tool might be, it would remain directionless without an agreed priority-

setting mechanism to fashion strategies for achieving the vision enshrined in the Organization's Charter.

50. On the matter of the Joint Staff Pension Fund, her delegation wished to commend the Investments Committee for its fiduciary excellence in respect of the sustained growth of the Fund's assets, which included diversification in developing States. The Board should also be praised for its social conscience in considering limited amendments to various regulations with a view to reducing hardship for divorced spouses and children of retirees.

51. Mr. IRAGORRI (Colombia) said that he fully supported the statement on agenda item 121 made in the Fifth Committee by the Bolivian delegation on 27 November 1996. Since only two more meetings had been scheduled on the item (one formal and one informal), he doubted that the Committee could take a substantive decision on it at the current session. The issues involved were of paramount importance, since they went beyond the United Nations Secretariat to encompass the specialized agencies as well, and the Committee must give them due priority at the resumed session. The reports of staff representatives gave the impression that there was no staff consensus on remuneration policy. The staff's apparent lack of motivation, which was not unjustified, was a serious problem that must be addressed.

52. He asked for information on the cost of ICSC and whether the possibility of changing the current system had been analysed. It seemed that the Commission's recommendations failed to take the Organization's financial crisis into account; that failure had resulted in a problem of compliance with those recommendations in the case of UNESCO, which could affect the entire common system. It was important to respect the common system, but also to take the specific financial circumstances of each specialized agency into account in making recommendations and to determine what degree of flexibility was needed. It would be irresponsible for the director of a specialized agency to comply with ICSC recommendations if they could affect the agency's programmes. Such recommendations must be made in a way that fully reflected the views of the specialized agencies. The Committee should consider such administrative questions in depth at its resumed session, since it had focused primarily on financial issues rather than staff issues at the current session.

53. Mr. BLUKIS (Latvia), referring to agenda item 122, said that Latvia took a special interest in the proposed agreement between the Russian Federation and the United Nations Joint Staff Pension Board because at least one of the transferees in question lived in Latvia. Since Latvia had not become a Member of the United Nations until its independence had been restored in 1991, it was not a party to the Transfer Agreement approved by the General Assembly in 1980. Therefore, his Government's interest was limited to the protection of the pension rights of transferees residing in Latvia, irrespective of their citizenship or lack thereof. A number of issues must be explored further, such as the grounds for discriminating among transferees who had earned similar pension benefits solely because of their citizenship or country of residence subsequent to their service in the United Nations; why the proposed agreement did not cover the funding of all pensions covered by the original Transfer Agreement between the Pension Board and the Government of the Union of Soviet Socialist Republics, since the proposed agreement acknowledged that the Russian Federation had assumed responsibility for the rights and obligations of the USSR

upon the latter's dissolution; and how the rights of transferees not covered by the proposed agreement would be safeguarded when the latter entered into force, since the original Transfer Agreement would thereby be terminated.

AGENDA ITEM 120: HUMAN RESOURCES MANAGEMENT (continued) (A/C.5/51/34)

54. Mr. HALLIDAY (Assistant Secretary-General for Human Resources Management) introduced the report of the Secretary-General on the ratio between career and fixed-term appointments (A/C.5/51/34), which had been prepared in compliance with General Assembly resolution 49/222 A, part II, paragraph 5. It was important to bear in mind that the Organization had adopted the concept of career service for its staff as an essential means of ensuring the independence of the international civil service, as required by Article 100 of the Charter. However, competing considerations also must be taken into account. An analysis of the objectives followed by the Organization over the years on the question of career versus non-career appointments appeared in an annex to the report.

55. As indicated in the first part of the report, the use of fixed-term appointments had evolved to such an extent that those appointments could no longer be contrasted with career appointments. Accordingly, the proposals put forward focused on the more stable category of career appointments and were intended to help the General Assembly determine the proportion of staff who should serve on such appointments. Moreover, the proposals did not follow the tradition of considering the issue exclusively in relation to posts subject to geographical distribution, since such posts currently represented only 17 per cent of all Secretariat posts.

56. The report described three broad approaches for consideration by the General Assembly. The first approach was to set an overall limit on the number of career appointments, based on a proportion of established posts in the regular budget, as a way of ensuring balance between financial resources and the long-term commitments made to staff members with career appointments. In determining that proportion, the General Assembly must take into account limiting factors and considerations such as the need to improve geographical distribution, allow the intake of fresh talent and adjust to changes in the Organization's functions. On the other hand, if the proportion was too low, it would further erode staff morale and would call into question the very concept of career service in the Secretariat. Accordingly, the report indicated that the proportion should not be less than 75 per cent of established posts in the current regular budget.

57. The second approach was to clarify General Assembly resolution 37/126, which had given staff members with fixed-term appointments the right to be considered for a career appointment after five years of continuing service. The third approach was to introduce a system of career and non-career tracks. The career track would apply to staff performing core functions which required continuity of knowledge and experience within the Organization. Such staff would receive a pre-career appointment of up to two years, with an expectancy of renewal for another three years, subject to satisfactory performance, and would be expected to serve in at least two different assignments, preferably in two different departments and/or duty stations. The pre-career appointment could then be converted to a career appointment. The non-career track would apply to staff performing work of a non-continuing nature or services which were limited

by reason of their funding or which would be completed within a give time-frame. That third approach would reinforce the concept of career service while allowing for better long-term management of human resources and providing enough flexibility to take into account current and future needs, constraints and the acquired rights of existing staff members.

58. It seemed that Member States, the staff and the Secretary-General agreed on the desirability of career service in the Secretariat. Once the General Assembly had decided which approach or combination of approaches would best serve the Organization's needs in the future, an appropriate system would be devised to implement that decision.

59. Mr. DEINEKO (Russian Federation) said that his delegation agreed that a literal interpretation of the request contained in General Assembly resolution 49/222 A, section II, paragraph 5, would have focused attention solely on the number of staff serving on "fixed-term appointments". Rather, emphasis should be placed on establishing a desirable proportion of career appointments, taking into account the basic principle that long-term contracts required longer-term financial resource commitments. It was also important that the functions to be performed should be of a continuing nature. Career appointments should of course be used as a powerful tool for attracting and retaining qualified staff on condition that they displayed the highest levels of efficiency, competence and integrity.

60. In practice, however, it was often the case that career appointments were given automatically, often under pressure from the Staff Council or even the Administrative Tribunal. His delegation believed that the part of General Assembly resolution 37/126 dealing with the criteria for conversion to career appointments should be reworded.

61. The Secretary-General's report A/C.5/51/34 contained figures suggesting that the ratio of career to fixed-term appointments was approximately equal, but the report did not take account of all categories of staff serving under the 100 series of the Staff Rules, including language staff, Field Service staff, staff in the General Service and related categories.

62. His delegation believed that the debate should centre around posts subject to geographical distribution. That category contained the highest number of permanent contracts. It was hard to reconcile calls made by delegations for equitable geographical distribution with a situation in which the vast majority of staff members, including many whose professional qualifications did not meet the high standards of the international civil service, enjoyed permanent status. Management should be given greater room for manoeuvre, enabling it to require compliance with the regulations governing selection of personnel.

63. In that connection it seemed advisable that the resolution on human resource management should set an overall limit on the proportion of career appointments subject to geographical distribution. That ceiling would be lower than the present level. His delegation also endorsed setting a corresponding ratio of career to fixed-term appointments in all other categories of posts.

64. The dual-track system of career and non-career appointments was of interest to his Government. However, any appointment, and especially a career

appointment, should have an inbuilt system of periodic performance checks. A legal means of dispensing with staff members whose performance did not measure up to high professional standards should be available, without entailing any administrative or financial consequences for the Organization.

65. Mr. STOCKL (Germany) said that he welcomed the Secretary-General's reaffirmation of the necessity of career service in the Secretariat. The first and third proposals put forward in the report were acceptable to his delegation. Currently, staff recruited through national competitive examinations were eligible for career appointments after two years, while those on fixed-term appointments were eligible for conversion to career appointments only after five years; that differentiation should be maintained in the new system.

66. The report failed to address the problem of staff promoted through the G-to-P examination, who currently kept their permanent contracts upon their assignment to Professional functions. Since their permanent status had been earned in General Service functions, they should not automatically be granted career appointments as Professionals, but should receive the same treatment as staff recruited through national competitive examinations.

67. He asked for clarification of paragraph 14 of the report, which stated that the total number of Secretariat staff had stood at 15,178 as of 30 June 1996. Previously, he had received information indicating that the figure had been 14,188 as of 7 February 1996, and it was his understanding that the number of staff had been reduced, not increased.

68. Mr. BOND (United States of America) said that his delegation had also had difficulty in reconciling the numbers in the report and looked forward to clarification. He supported the proposal by the Russian Federation regarding the reduction of the ratio of fixed-term and career posts funded from the regular budget, the peacekeeping budget and extra-budgetary resources.

69. Mr. GODA (Japan) said that his delegation welcomed the Secretary-General's commitment to the protection of the career civil service as a key factor in ensuring the independence of the international civil service as required by the Charter.

70. Regrettably, the report failed to provide a comprehensive analysis. With reference to the statement that 7,486 staff, out of a total of 15,178, held permanent, probationary or indefinite appointments, he noted that both figures included extrabudgetary posts; a figure of 10,021 regular budget posts was also cited in the report. Given the different bases for those figures, it was hard to understand the rationale for the suggestion that career posts should comprise 75 per cent of regular budget posts. His delegation had doubts regarding the setting of limits on career appointments on the basis of the current ratios. The Committee needed an analysis providing details of the functions and status of staff.

71. The proposal for career and non-career tracks was interesting, but again the report failed to provide adequate analysis, for example, regarding the functions for which career appointments would not be appropriate. The listing of career appointments included a number of areas where, in fact, fixed-term

appointments would be appropriate to allow for the introduction of current knowledge and technical skills. Further study was required.

72. The proposal for pre-career appointments would require centralized management of career appointment staff and would need to be reconciled with the concept of the delegation of authority.

73. Mr. HALLIDAY (Assistant Secretary-General for Human Resources Management) said that there were 14,162 staff members with contracts of one year or more, funded from various sources. The figure of 15,178 in the report was larger only because it included contracts of less than 12 months.

74. Of the total of 14,162 contracts of one year or more as at October 1996, regular budget posts accounted for 8,572, of which 5,736 were career appointments; extra-budgetary funding accounted for 3,271, of which 830 were career appointments; and peacekeeping accounted for 2,319, of which 762 were career appointments.

AGENDA ITEM 153: FINANCING OF THE UNITED NATIONS MISSION IN BOSNIA AND HERZEGOVINA (continued) (A/C.5/51/L.12)

AGENDA ITEM 154: FINANCING OF THE UNITED NATIONS TRANSITIONAL ADMINISTRATION FOR EASTERN SLAVONIA, BARANJA AND WESTERN SIRMIUM (continued) (A/C.5/51/L.11)

AGENDA ITEM 155: FINANCING OF THE UNITED NATIONS PREVENTIVE DEPLOYMENT FORCE (continued) (A/C.5/51/L.13)

Draft resolution A/C.5/51/L.12

75. Draft resolution A/C.5/51/L.12 was adopted.

Draft resolution A/C.5/51/L.11

76. Draft resolution A/C.5/51/L.11 was adopted.

Draft resolution A/C.5/51/L.13

77. Draft resolution A/C.5/51/L.13 was adopted.

78. Ms. RIECK (Germany) said that her delegation had joined the consensus on the financing of the three peacekeeping budgets with reservations, since the full amount of every peacekeeping budget would not be covered by the contributions of Member States because one Member State had announced its intention of reducing its assessed contribution to an amount it deemed convenient. That unilateral action would further contribute to the already difficult cash flow situation and jeopardize the implementation of all peacekeeping operations. Accordingly, the commitment authority of the Secretary-General for every peacekeeping budget would need to be adjusted to the predictable income level. Her delegation was not ready to accept non-payment by other Member States or any change in its effective share in the current scale of assessments.

ORGANIZATION OF WORK

79. The CHAIRMAN said that the General Assembly was scheduled to conclude on 17 December. A tentative programme of work had been circulated.

80. Mr. FATTAH (Egypt) noted that the tentative programme did not cover 16 December, and should be revised accordingly.

81. Mr. MOKTEFI (Algeria) noted the heavy workload and said that account must be taken of the need for informal consultations bearing in mind that some delegations had only one representative. The practice of earlier years, whereby it had not proved possible for such delegations to take part in discussions on some draft resolutions, should be avoided.

82. Mrs. INCERA (Costa Rica), speaking on behalf of the Group of 77 and China, said that the Committee should focus on the programme budget, the programme budget outline, programme planning, the scale of assessments and the pattern of conferences.

83. Mr. MAZEMO (Zimbabwe) said that he was concerned that some delegations appeared uninterested in reaching decisions on draft resolutions on crucial areas whose rapid consideration was vital to the functioning of the Organization. The Committee had adopted tentative programmes of work on a more or less weekly basis since the beginning of the session, one factor in which had been the taking of decisions in a timely manner. Yet some delegations which were outspoken in their desire to eliminate incompetence and waste had apparently engaged in that time-consuming and expensive exercise while being willing to allow three months' work and three months' use of conference services to go down the drain, a position that was the height of irresponsibility and wastefulness. Rather than approving programmes of work to which they were not committed, those delegations should have made their position clear, in which case the President of the General Assembly would have been informed of it.

84. He was, however, confident that the Committee could reach consensus on most items. It had an obli tion to do so to meet the expectations of those who had given it its mandate.

85. Ms. BUERGO RODRIGUEZ (Cuba) agreed that the Committee should focus on items requiring urgent decisions, and within them, on issues which were in a more advanced state of negotiation. While she welcomed the emphasis on programme-budget-related items, there was a need for consideration of the pattern of conferences and of human resources management, which seemed to have received scant attention.

86. Mr. KELLY (Ireland) said that the Committee would need more time for informal consultations on the common system and the pension system. Furthermore, informal consultations had been planned for items on which no Advisory Committee reports were yet available, which did not seem a realistic way to proceed.

87. Ms. PEÑA (Mexico) said that the Committee might consider which items could be deferred to the resumed part of the session, so that it could focus on those

of the greatest urgency. Informal consultations must be arranged so as not to coincide with other elements of the programme of work.

88. The CHAIRMAN said that the Committee had never shirked its responsibilities. He trusted that all delegations would strive to reach agreement on the items allocated to the Committee. The Bureau had noted the concerns expressed and would take them into account.

The meeting rose at 1.20 p.m.